

Message Text

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ACTION EB-08

INFO OCT-01 EUR-12 IO-13 ISO-00 SSO-00 NSCE-00 USIE-00

INRE-00 L-03 FRB-03 OMB-01 ITC-01 SP-02 AGRE-00

AID-05 CIAE-00 COME-00 INR-07 LAB-04 NSAE-00

OIC-02 SIL-01 STR-04 TRSE-00 CEA-01 SS-15 NSC-05

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FM USMISSION GENEVA

TO SECSTATE WASHDC IMMEDIATE 6337

INFO USMISSION EC BRUSSELS

USMISSION USUN NEW YORK

USMISSION OECD PARIS

C O N F I D E N T I A L GENEVA 2465

EB/ORF/ ICD FOR WENDT

E.O. 11652: GDS

TAGS: UNCTAD, EGEN

SUBJECT: UN NEGOTIATING CONFERENCE ON A COMMON FUND:

MARCN 31

REF: A) STATE 71155; B) GENEVA 2434; C) GENEVA 2435

1. BRIEF GROUP B DISCUSSION MORNING OF MARCH 31 CONFIRMED THAT A NUMBER OF DELEGATIONS, INCLUDING US, HAD CONCLUDED THEY COULD NOT ACCEPT TEXT OF DRAFT RESOLUTION (PARA 3, REF B) CONTAINING EC'S STATEMENT THAT CONFERENCE AGREES THERE SHOULD BE A COMMON FUND. EVEN WITH QUALIFYING LANGUAGE AS TO NATURE OF THAT FUND. EC DELEGATE DID NOT SPEAK, BUT SPOKESMAN (STEELE - UK) TOLD US PRIVATELY BEFORE THE MEETING THAT THERE AS YET WAS NO EC POSITION ON ACCEPTABILITY OF PROPOSED TEXT.

2. US DEL (BOSWORTH) PROPOSED IN GROUP THAT IN VIEW OF
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GROUP B INABILITY TO AGREE ON DRAFT SUBSTANTIVE RESOLUTION, GROUP B SPOKESMAN (BARRASS-UK) SHOULD, IN HIS ORAL REPLY TO MARCH 28 STATEMENT BY G-77, MAKE STATEMENT ALONG LINES OF THAT PROVIDED REF A. HE COULD ALSO, DEPENDING ON WISHES OF OTHER DELEGATIONS, GO ON TO SAY THAT SOME BROUP B COUNTRIES WERE WILLING TO GO FURTHER ON A COMMITMENT TO THE ESTABLISHMEN OF A COMMON FUND. AFTER BRIEF DISCUSSION,

THIS APPROACH WAS AGREED BY GROUP B, ALTHOUGH EC AND NORDICS RESERVED RIGHT TO POSSIBLY SUPPLEMENT REMARKS BY GROUP B SPOKESMAN WITH THEIR OWN ORAL STATEMENTS.

3. GROUP ALSO AGREED AFTER SOME PROTRACTED HAGGLING WITH CANADA AND AUSTRALIA OVER ISSUE OF JOINT PRODUCER/ CONSUMER FINANCING ON A LIST OF PRINCIPLES PERTAINING TO A COMMON FUND (REF C). ONLY ADDITION WAS TO LAST SUB-PARAGRAPH OF PARAGRAPH 2 OF SENTENCE: QUOTE IN THIS CONTEXT, THE NOTION OF JOINT PRODUCER/CONSUMER FINANCING SHOULD BE CONSIDERED ALONG WITH OTHER FINANCING POSSIBILITIES. UNQUOTE. BRACKETS ON LAST SENTENCE OF TEXT WERE ALSO DROPPED.

4. IN AFTERNOON COMMITTEE OF THE WHOLE, BARRASS SPOKE USING THIS TEXT IN HIS ORAL STATEMENT. TEXT WAS CIRCULATED AS PROVISIONAL GROUP B POSITION PAPER OF SOME ELEMENTS FOR THE BASIS OF A COMMON FUND. BARRASS PREFACED HIS INTRODUCTION BY NOTING THAT NO ONE NUMBER GROUP B WAS COMMITTED ON EVERY POINT AND THAT CHANGES IN IT COULD BE EXPECTED LATER. GENERAL TONE OF BARRASS' REMARKS WAS TOUCH, NOTING THAT G-77 CONTINUED TO REFUSE TO DISCUSS VERSIONS OF A CF OTHER THAN CENTRAL SOURCE AND THAT GROUP B HAD ATTEMPTED TO INSIST ON SUCH DISCUSSION WITHOUT SUCCESS. HE NOTED THAT GROUP B AS SUCH CONSIDERED THAT THERE COULD BE A CF AND A SUBSTANTIAL NUMBER OF COUNTRIES WITHIN IT BELIEVED THAT THERE SHOULD BE A CF. NORDICS THEN MADE SHORT ORAL STATEMENT ON GROUP B LIST OF PRINCIPLES UNDERLINING THEIR WILLINGNESS TO CONSIDER CF HAVING QUOTE OWN RESOURCES UNQUOTE -- A CONFIDENTIAL

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POINT THEY DID NOT FEEL CAME THROUGH CLEARLY.

5. WITH REGARD TO POSSIBLE OUTCOME OF CONFERENCE, IT IS NOW EVEN CLEARER IN THE ABSENCE OF GROUP B AGREEMENT ON A SUBSTANTIVE RESOLUTION THAT ALTERNATIVES ARE: (1) G-77 ATTEMPT TO PRESS FORWARD MODIFIED VERSION OF ITS OWN DRAFT TEXT, WITH LIKELY ACCOMPANIMENT OF ACRIMONIOUS DEBATE AND POLITICAL PRESSURE IN HOPE OF EVENTUALLY OBTAINING CONFERENCE ENDORSEMENT IN PRINCIPLE OF A CF, ALTHOUGH NOT EXPLICITLY ITS OWN VERSION OF SUCH A FUND. EC AND MOST OTHER GROUP B COUNTRIES WOULD PROBABLY ACCEPT SUCH A TEXT, WHILE US (AND POSSIBLY JAPAN, CANADA, AUSTRALIA AND SWITZERLAND) WOULD MAKE A STATEMENT OF RESERVATION; OR (2) A PROCEDURAL OUTCOME ON WHICH G-77 POSITION REMAIN AS SET FORTH IN THEIR DRAFT TEXT AND VARIOUS GROUP B POSITIONS REMAIN AS SET FORTH IN STATEMENTS BY BARRASS AND POSSIBLY THE EC AND NORDICS. THROUGH A SERIES OF BILATERAL AND SMALL MEETINGS WITH G-77 REPS, WE ARE NOW WORKING HARD TO APPLY WHAT LEVERAGE U.S.

HAS IN DIRECTION OF THE PURELY PROCEDURAL RESULT. U.S.
REP (BOSWORTH) LAID OUT IN CANDID FASHION AT COORDINATOR'S
MEETING LATE TODAY (MARCH 31) U.S. UNWILLINGNESS TO
UNDERTAKE COMMITMENT ON CF, BUT EMPHASIZED POSITIVE
AND OPEN-MINDED US ATTITUDE ON FUND ISSUE. AND OUR
WILLINGNESS TO CONTINUE NEGOTIATING IN THAT SPIRIT. SORENSON

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